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advancing limited government & free markets

The Honorable Michael K. Powell
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

February 11, 2003

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As the Triennial Review of the Telecommunications Act of 1996 proceeds, Washington Policy Center urges the Federal Communications Commission to reinforce the market-opening and state authority provisions of the Act. As demonstrated in practically every other industry – and as is beginning to be demonstrated in the telecommunications sector – the development of strong competition results in lower prices, better services and superior quality for American consumers. Simply put, the Telecommunications Act is starting to work.

By no means is it coincidental that those benefits are being felt first in states that have exercised their authority and responsibility to enforce the Act's requirement that the incumbent Bell monopolies allow competitors access to their networks at reasonable wholesale rates. This leasing system, the Unbundled Network Element Platform (UNE-P), is bringing the realities of the market to a sector that has for too long withered under the domination of a handful of monopoly providers.

Those monopoly providers, the regional Baby Bell companies, are attempting to maintain their local phone service monopoly by opposing the local market opening required by the Act. In addition, the Bell monopolies have engaged in a lobbying effort that would excuse them from their obligation to lease high-speed or "broadband" service capacity on their networks. This would be a serious setback for telecom competition since high-speed technology is the basis for all future services, including voice services.

This lobbying effort, should it succeed, would remove the authority for state Public Utility Commissions, as representatives of their constituents, to inject competition into this rapidly developing market. As telecom services, particularly broadband, become more invaluable to business and individuals, it is imperative that consumers be allowed to choose their provider.

The Washington Policy Center requests that the FCC uphold the principles of market capitalism and federalism that has brought our country this far, and will surely take us much further. The FCC should allow the free market intent of the Act to continue to benefit people in Washington and across the country.

Sincerely,

Paul Guppy
Vice President for Research

Washington Policy Center is a state-based, nonprofit 501(c)(3) research education organization in Washington state.